

# **RALEIGH-DURHAM AIRPORT AUTHORITY**

## ***MINUTES***

*March 21, 2002*

Chairman Gibbs presided. Present: members Lane; Parker; Sparrow; Teer; Toler and Winston. Absent: member Clancy. Also present: Airport Director Brantley; Deputy Director, Operations Shackelford; Deputy Director, Facilities Engineering & Maintenance Pittman; Major Capital Improvements Program Director Powell; Deputy Director, Finance, Business & Administration Gill; Administration Director Umphrey; Finance Director Barritt; Senior Program Manager Edmondson; Facilities Engineering Manager Jewett; Parking Manager White; Maintenance Manager Fulp; Properties & Insurance Officer Quinn; Emergency Services Manager Thompson; Law Enforcement Manager Waters; Senior Auditor Jordan; Information Technology Manager Schiller; Communications Manager Hamlin; Customer Relations Supervisor Kawiecki; Ground Transportation Manager Odom; Ground Transportation Coordinator Nye; Purchasing Officer Thompson; Noise Officer Tovar; Accountant Marion; Purchasing Assistant Edwards; Accounting Technician Schick; Payroll/Benefits Technician Duncan; Environmental/ Noise Technician Rebar; Financial Analyst Golden; Training Officer Harleston; Business Development Officer Hairston; Executive Assistant Mitchell and Attorney Tatum.

Guests: Vicki Hyman, The News & Observer; and Steve Cornell, Parsons Transportation Group.

**PUBLIC HEARING** – Chairman Gibbs opened the Public Hearing on the taxicab service provided the Airport. After all speakers were heard, the Public Hearing was closed.

**APPROVAL OF AGENDA** – There were no changes to the agenda, and it was approved as submitted.

**APPROVAL OF MINUTES** – There were no changes to the minutes of the February 21, 2002 meeting, and they were approved as submitted.

**CHAIRMAN'S COMMENTS** – Chairman Gibbs commented that the Authority needed to move forward on the comments made regarding the taxicab issues, and identify the issues that can be addressed immediately. Some issues can be resolved quickly, whereas others may take a while. He appreciated everyone's attentiveness today.

**AIRCRAFT NOISE ABATEMENT COMMITTEE** – Member Lane reported the Committee met on March 7, 2002 and reviewed the approved policy for the Permanent Noise and Operations Monitoring System. There is still interest in the Committee that the Authority use the System, and reports generated from it, to do as much as possible to inform the public, and to monitor aircraft noise. The Committee members are very anxious for the Authority to move forward with implementation of the System. The Committee is still evaluating the specifications. The consultant has assisted in identifying locations for placement of the monitors. The Committee is anxious to put the project out for bid. Member Lane commented that the Committee feels the Authority is not moving forward very quickly on this project.

The report was received and no further action was taken.

**LAND & DEVELOPMENT COMMITTEE** – Member Teer reported the Committee met on March 21, 2002 and discussed the following items:

1. Consideration of an Amendment to the Agreement with Baker & Associates for Construction Phase Services for Taxiway J & International Drive Bridge, RDU #080419. At the February 21, 2002 meeting, the Authority awarded a contract to Archer Western to construct Taxiway J and the International Drive Bridge. Award of the contract is contingent upon the Authority's receipt of an FAA grant for the project. Facilities Engineering Manager Jewett reported that staff anticipates receipt of the grant in mid-April, followed closely by execution of a contract and issuance of notice-to-proceed. This Amendment authorizes services by Baker and Associates, the design engineer, for contract administration and resident project representation. Contract administration services include reviewing shop drawings and pay applications, preparing change orders and field orders, conducting progress meetings, visiting the site, interpreting plans and specifications, providing recommendations on technical issues and pay applications, and generally working as a liaison between the Authority and the contractor. Resident project representation services include inspecting construction work performed by the contractor, providing an inventory of stored materials, determining pay quantities, preparing reports and field logs, and interacting and communicating with the contractor. Compensation for services authorized by this amendment will be based on unit costs against the fixed ceiling amount of \$676,592. The amendment increases the existing contract ceiling from \$895,939 to \$1,572,531. Contingent upon acceptance of the FAA grant, the Committee recommended approval of the amendment to the Agreement with Baker & Associates in an amount not to exceed \$676,592 to provide contract administration and resident project representation for the project.
  
2. Consideration of a Staff Recommendation for Selection of a Firm to Provide Quality Assurance Testing Services for Taxiway J & International Drive Bridge, RDU #080419. Facilities Engineering Manager Jewett reported on the recommendation for selection of a firm to provide construction materials testing services in connection with construction of Taxiway J and the International Drive Bridge. The firm will be working with Baker and Associates, the firm providing construction administration and inspection. The RFQ was issued to 27 firms, and it was posted on the Authority's website. Initially, two firms responded, NFE Consulting Engineers ("NFE") and TerraTech Engineers, Inc., both small local firms. Upon review of the proposals, it was determined that neither firm met the minimum criteria; therefore, the submittal deadline was extended. By the extended deadline, NFE submitted a modified proposal, and two additional firms, Law Engineering & Environmental Services ("Law") and Birmingham Engineering & Construction Consultants ("BECC") submitted proposals, for a total of four responses. Of the four responses, NFE and BECC are certified MBE firms. Law proposed to team with Bree Associates of Durham for concrete and soils testing. Bree Associates is an MBE firm certified by the Authority. Based upon staff's review of the submitted information and follow-up conversations with all four respondents, it was determined that Law Engineering is the only firm to have all of the certifications required by the FAA and is fully qualified and equipped to accomplish the work. Contingent upon acceptance of the FAA grant, the Committee recommended that staff be authorized to commence negotiations with Law Engineering and Environmental Services for quality assurance testing.

Member Teer made a motion, seconded by Member Lane, to approve the recommendations of the Land & Development Committee.

Adopted.

**FY 2002-03 OPERATING & CAPITAL BUDGETS** – Major Capital Improvements Program  
 Director Powell reported on two closed capital project budgets that need to be reopened, one or more payments from each project authorized, and the project budgets closed after the payments are made.

*New Authority Office Building, RDU #080169:* It is recommended that the project budget be reopened, a payment of \$22,941 to the firm of Pearce Brinkley Cease & Lee, the project architect, for services provided for the project be authorized, and the project budget closed after the payment is made. The services were additional services that included inspection of window and wall systems, assistance in claim resolution, and extended duration of construction contract closeout. The additional services were provided during the period 1999-2001. The project budget was \$6,700,000, while the expenditures to date are \$6,421,406. The project was completed under the budget by \$278,594 (excluding the \$22,941 amount for which payment authorization is being sought). The project budget was closed at the end of FY 99-00 rather than being carried over to FY 00-01.

*Terminal A/B Expansion, RDU #070229:* It is recommended that the project budget be reopened, a payment of \$214,022 to the firm of H. Clay Taylor, Architect, the project architect, for services provided for the project be authorized, and the project budget closed after the payment is made. The \$214,022 payment consists of \$61,631.77 for services authorized under the agreement but for which payment has not been made, and \$152,390.23 for additional services. The additional services included design and construction contract administration services for expansion of the boiler/chiller building adjoining Terminal A; demolition of existing space and conversion to passenger hold rooms for use by Southwest Airlines; modifications to the Delta Air Lines baggage makeup room and tug corridor; renovation of a passenger hold room to accommodate relocation of Air Tran Airways from Gate A-18 to A-19; enclosing the exit stair at Gate A-10 and other modifications to accommodate US Airways' commuter operation; installation of fixed sections to and relocation of the passenger boarding bridges at Gates A-25 and A-26; foundation design revisions for the Terminal A North Concourse due to subsurface conditions; modifications to the Terminal A Extension lobby, including removal of fire doors and walls to expand the ticketing lobby near the Air Tran counter and replacement of carpet; modifications to the terminal building and design of the foundation of Air Canada's passenger loading bridge at Gate A-12; renovations to develop concession space 103, and other project elements. Also, the services included preparation of an electrical system study for Terminal A. The additional services were provided during the period 1997-2000. The project budget is \$20,325,000, while the expenditures to date are \$19,363,540. The project was completed under the budget by \$961,460 (excluding the \$214,022 amount for which payment authorization is being sought). The project budget was closed at the end of FY 99-00 rather than carried over to FY 00-01.

Airport Director Brantley advised that the proposed Fiscal Year 2002-03 Operating and Capital Budgets, Budget Ordinance and Project Ordinances were presented in the budget work session on March 14, 2002. No further comments were received. Approval of the proposed budgets, Budget Ordinance and Project Ordinances was requested.

Member Teer made a motion, seconded by Member Lane, to adopt the Fiscal Year 2002-03 Operating and Capital Budgets, Budget Ordinance and Project Ordinances; and to re-open RDU projects #080169 and #070229, authorize a payment(s) from each project, and close the project budgets after the payments are made.

Adopted.

**AUDIT CONTRACT** – Finance Manager Barritt reported on the proposal for Financial Statement Audit Services with Cherry, Bekaert & Holland L.L.P. Cherry, Bekaert & Holland (“CB&H”) submitted an engagement letter and contract for audit services in accordance with generally accepted auditing standards and *Government Auditing Standards* for the fiscal year ended March 31, 2002. The proposed fee is \$25,800, which is an increase of \$75 from the prior year fee of \$25,725. In 2000, the Authority signed an audit agreement with CB&H covering fiscal years through the year ending March 31, 2002. As North Carolina statutes require audit contracts to be approved annually in order to be binding, the Authority must approve a separate contract each year. Staff has been very satisfied with the services rendered by CB&H in prior years and trusts in their ability to maintain this same level of competency, in addition to maintaining very competitive fees. Staff recommended retaining Cherry, Bekaert & Holland for audit services and services related to debt-service calculations for the fiscal year ended March 31, 2002.

Member Sparrow made a motion, seconded by Member Parker, to approve the agreement with Cherry, Bekaert & Holland, L.L.P, for audit services for the fiscal year ended March 31, 2002. Adopted.

**AIRPORT IMPROVEMENT PROGRAM GRANT** – At the February 21, 2002 meeting, the Authority adopted a resolution authorizing staff to submit an application to the Federal Aviation Administration to obtain an Airport Improvement Program grant offer in an amount not to exceed \$7,900,000. It was anticipated that the grant documents would be returned to staff within two weeks. However, upon receiving the grant application, FAA advised staff that it would be mid-April before the grant offer would be issued. The Cities of Raleigh and Durham and the Counties of Wake and Durham are required to accept the grant in addition to the Authority. In order to facilitate timely execution of the grant, staff contacted the Boards of the four governing bodies and sought acceptance of the grant in advance, as well as authorization of the city and county managers to execute the grant upon receipt. The amount of the grant will be \$7,139,451.

Member Teer made a motion, seconded by Member Parker, to approve in advance the Federal Aviation Administration Grant Offer of Airport Improvement Program funds in the amount of \$7,139,451 for the construction of Taxiway J and the International Drive Bridge. Adopted.

**MEMBER COMMENTS/REPORTS** – Member Teer commended the staff on how well the budget was prepared. Member Toler agreed that the budget was very well done. The year-to-year comparisons were very valuable. Member Winston complimented Chairman Gibbs on the public hearing. It was very worthwhile. Member Winston also recognized Deputy Director, Finance, Business & Administration Gill and Finance Director Barritt for their hard work in preparing the budget. Member Parker agreed with Member Winston that the public hearing was very well managed. He hopes the dialogue between the Authority and the taxicab operators and drivers will continue to improve. Member Parker said he hoped the Authority will continue to place a priority on maintenance of the Airport facilities. He then congratulated the Authority staff on an excellent fiscal year. Member Lane thanked the Chairman for conducting a smooth public hearing, and thanked the staff for a well-presented budget. He appreciates the staff keeping him informed throughout the month of ongoing issues.

**GENERAL COUNSEL’S REPORT** –Attorney Tatum was unavailable for comments.

**AIRPORT DIRECTOR’S REPORT** –

- Airport Director Brantley reported that the activity report for February was incomplete. Midway Airlines' CEO Bob Ferguson refused to provide its February passenger data to the Authority. Mr. Ferguson expressed concern from a competitive standpoint that the data would be obtained by the news media, who would then create alarm among Midway's customers, and indicated Midway wanted to keep its statistical data private. Midway's Operating Agreement requires the carrier to provide the statistical data on a monthly basis. Attorney Tatum is working with Midway's legal counsel to try to obtain the information.

(The following data was prepared excluding statistics from Midway Airlines):

- Enplaned passengers for February 2002 totaled 286,034 versus 371,310 for February 2001 for a 23.0% decrease.
- Deplaned passengers for February 2002 totaled 285,722 versus 377,135 for February 2001 for a 24.2% decrease.
- Enplaned air cargo for February 2002 totaled 7,462,181 pounds versus 10,271,210 pounds for February 2001 for a 27.4% decrease.
- Deplaned air cargo for February 2002 totaled 9,115,278 pounds versus 10,306,890 pounds for February 2001 for a 11.6% decrease.
- Weekday scheduled flight departures for February 2002 totaled 234 versus 303 for February 2001 for a 22.8% decrease.
- Aircraft operations for February 2002 totaled 18,802 versus 23,274 for February 2001 for a 19.2% decrease.
- The number of vehicles exiting the terminal area public parking lots during February 2002 totaled 130,268 versus 163,617 for February 2001 for a 20.4% decrease.
- The number of taxicab trips taken during February 2002 totaled 10,458 versus 10,620 during February 2001 for a 1.5% decrease.
- The carriers' passenger load factors ranged from 50%-60% during February. Some of the air carriers are experiencing 90% load factors on regional jet service.
- American Airlines will add two daily departures to New York LaGuardia on April 7th. American Eagle concurrently will decrease its daily flights to LaGuardia from eight to five. Midway announced plans to add one daily flight to Tampa and one to Ft. Lauderdale, but will discontinue its two daily flights to Newark.
- American Airlines will bring the Boeing 777 back into service for the London/Gatwick flight on April 7. The 777 has 50+ additional seats and a lot more cargo capacity.
- In December 2001, the Congress appropriated \$175 million in the FY 2002 Department of Defense Appropriations Bill to reimburse some of the increased security costs airports have faced

as a result of the added security measures instituted by the FAA after September 11th. According to information posted on the FAA website, RDU will receive \$711,486 for costs associated with added security measures.

- The first meeting relative to work on the Aviation Parkway/I-40 Interchange improvements was held recently. The project has gotten off to a good start, thanks to Program Manager Quesenberry. It is anticipated that the improvements will be made by the end of this calendar year.
- Ground Transportation Manager Odom provided the Authority members with a written synopsis of the taxicab operations during the past year. The comments will be included in the record of today's Public Hearing. The Authority will continue to receive written comments regarding the taxicab operations until April 1, 2002.
- Member Sparrow read a letter addressed to him from a customer who had a very positive experience at RDU recently.
- Deputy Airport Director Shackelford recognized the Emergency Services staff for their assistance with a customer who recently suffered a heart attack while in the terminal. The customer was transported to a local hospital where she underwent heart bypass surgery. She is now home and making a remarkable recovery.
- Deputy Airport Director presented the Authority with a Certificate of Appreciation received from The Thad and Alice Eure Walk For Hope. Each year several divisions at the Authority assist with this event by providing parking spaces, bus service to and from the Angus Barn, and other miscellaneous services. In response to that assistance over many years, the Angus Barn presented a framed plaque to the Authority signed by Van Eure, Windy Hoover and Kate Law.

**ADJOURNMENT** - There being no further business, Chairman Gibbs adjourned the meeting.

Respectfully submitted,

J. Ray Sparrow, Secretary

**CORRECT ATTEST:**

Kenneth D. Gibbs, Sr., Chairman